

# Sunday

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Prepared by the staff of the Honolulu Advertiser

★★ August 28, 1983 A-3

## Hawaii Report

### Rewald's home yields little of value, Hayes says

By Robert Hollis  
Advertiser Staff Writer

There wasn't much left of value at Ronald Rewald's oceanfront home in Kuliouou yesterday after bankruptcy trustee Thomas Hayes gathered the jailed businessman's prized possessions and put them "in a safe place."

There was a gun and knife collection, including some "bizarre" weapons such as a triple-barreled pistol, some "minor" art works and a set of flatware that had been rumored to be gold.

It wasn't quite that, it was gold plate over base metal. "Negligible value," said Hayes.

The biggest assets in Rewald's now-crumbled financial empire are his house, equity in a Hawaii Kai condo, his driveway full of expensive cars, an interest in some Waimanalo acreage and 17 polo ponies and horses.

But the sale of those items

isn't expected to bring anywhere near the \$10 million to \$12 million that more than 400 investors gave to Rewald after being "guaranteed" a 20 percent return on their money.

Rewald faces theft charges in connection with the collapse of his investment firm, Bishop, Baldwin, Rewald, Dillingham and Wong. He remains in jail, unable to post bail of \$10 million.

On Friday, federal Judge Samuel King authorized Hayes to assume control of Rewald's assets. Rewald and his wife, Nancy, agreed to the takeover.

Hayes said last night that he removed most of what was easily portable from Rewald's home and put it in a safe place. He declined to say where that place was.

After taking a partial inventory yesterday, Hayes said the centerpiece of what is left of the financier's assets is Rewald's 37,000-square-foot home, which may bring between \$1.5



Franklin Kipili yesterday returned the 1979 Cadillac limousine with the license plates OAHU-1 to Rewald's home.

million and \$2 million. He had no guess last night of what the other, widely scattered belongings might bring at auction.

Hayes was appointed trustee earlier this month in the involuntary bankruptcy proceedings against Rewald in federal court here.

"When we file to get a judgment and he's adjudicated as bankrupt, the title (to Rewald's property) automatically comes over to me (as trustee)," Hayes

said.

The court order signed by King allowed Hayes to take control of Rewald's cash, stocks, notes, ranches, homes, precious metals, gems, jewelry, animals, boats, cars, aircraft, art, antiques and whatever interest he has in 15 companies and corporations.

Hayes also was counting cars yesterday as part of the inventory. Rewald owned or leased about 10 expensive vehicles,

some of which were recovered yesterday.

One of those returned — a 1979 Cadillac bearing license OAHU-1 that was once Gov. George Ariyoshi's official limousine — was driven by Franklin Kipili, Rewald's former chauffeur and bodyguard to Rewald's five children.

Kipili and his wife have said they invested their life savings, variously reported as \$78,000 and \$96,000, in Rewald's firm.

Kipili told KGMB-TV last night that after the Bishop, Baldwin empire collapsed Aug. 1, he and his wife had to move out of the Hawaii Kai house that was provided by Rewald.

"We had no idea this was going to happen. It was all so real," Kipili said.

Kipili recalled how Rewald showered him and his wife with birthday and Christmas gifts during the time he worked for him.

"Now I realize it was our hard-earned money . . ." he said. "It makes us look pretty stupid."

Kipili is now back working as a state court bailiff, a job he held before going to work for Rewald.

Hayes said last night that he has now recovered or knows the whereabouts of a 1979 Lincoln Continental, three Cadillacs, a 1970 Rolls Royce and a 1978 Mercedes 450-SL. The Mercedes, license "10," is in the hands of a man named Bob Jinks, earlier identified as an attorney who worked for Rewald's investment firm, he said.

A 1977 Excalibur, worth an estimated \$50,000, and several other vehicles still have to be located, he said. The trustee has alerted police, airport and port officials to stop anyone who tries to ship or transfer ownership of those vehicles, he said.

"There's no way they're going to get them off the island," he said.

*STAR-BULLETIN*  
8/27/83  
**Odd System  
of Justice**

Ten million dollars bail and a probable lengthy prison sentence for Ronald Rewald for allegedly swindling investors; \$5,000 bail and six months' imprisonment for convicted rapists; wealth and freedom for pineapple officials who poison our milk and water.

Let's get our priorities straight!  
Jail the rapists and polluters.  
Free Rewald.

*Gail Drake*

\* \* \*

What the judicial system and media are doing to Ronald Rewald is beyond my comprehension.

Convicted murderers are not humiliated this way, and surely the price of a human being is worth more than \$17 million.

I am not trying to lessen the severity of the crime Rewald is accused of. But we must not lose sight of the fact that under our Constitution, whether or not the signs lead to guilt, a person is innocent until proven guilty. Certainly he is entitled to a fair trial.

Ten million dollars bail? I fail to see how Rewald will ever get a chance to present his defense or get a fair trial.

To me, this inhumane and degrading exposure of Rewald is a crime in itself.

*Debra J. Moniz*

# Rewald Releases Personal Assets

8/21/83  
By Charles Memminger  
*Star-Bulletin Writer*

Ronald R. Rewald signed an agreement yesterday turning over virtually all of his personal assets to the court-appointed trustee of his bankrupt investment company Bishop, Baldwin, Rewald, Dillingham & Wong.

The stipulation, which covers everything from houses to horses and paintings to penthouses, was approved and signed by U.S. Judge Samuel King late yesterday afternoon, according to Donald Gelber, one of the attorneys for trustee Thomas Hayes. Attorney James Wagner also represents Hayes in the complex bankruptcy.

Rewald's attorney, Robert Smith, could not be reached for comment.

The emergency move was needed to protect the loss, theft or destruction of property that eventually may be sold to help pay back some of the millions of dollars investors put in Rewald's defunct company.

Hayes said he now has to take an inventory of all of the assets and take action to ensure they are protected.

REWALD SIGNED the agreement in the Oahu Community Correctional Center where he still is being held in lieu of \$10 million bail on two theft charges. The charges stem from criminal complaints filed by police on behalf of two investors.

In an affidavit in support of the motion to transfer custody, Hayes said that because Rewald is in jail and all of his assets have been frozen by a court order, "no responsible person or financial resources are available to assume control, custody and preservation of these assets."

Many of these assets are a testimony to Rewald's penchant for collecting exotic things.

#### INCLUDED ARE:

—Ten expensive, luxury or collector's automobiles, including a \$50,000 1977 Excaliber. Hayes said

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## Rewald Releases His Personal Assets

Continued from Page One

in the affidavit he knows where only three cars are: a Rolls Royce at Rewald's Kalamanaole House, a 1977 Cadillac limousine at Motor Cars Hawaii and a 1979 Cadillac in possession of Rewald's former chauffeur, Franklin Kipili.

—From 10 to 24 polo ponies valued at between \$4,000 and \$10,000 each, Hayes said he also does not know where all the horses are, except some are at a local stable and some at the Waimanalo ranch Rewald was leasing.

The people who have been boarding the ponies have been calling me up asking for money and complaining about how unhappy they are to board the horses for free," Hayes said in the affidavit.

—Three sets of knight armor

are in Rewald's house, Hayes said. They are some of the exotic items in the house. There also are "valuable gold table settings, works of art, firearm and dagger collections. These are easily removable and transportable," Hayes said.

—Furnishings in the Mauna Luan apartment that Rewald used as a private school for his children. According to the affidavit, Rewald furnished the school with computer equipment, a library, desks, chairs and other items insured for \$100,000. According to court documents, Rewald was paying tutor Brad Kerwin some \$9,000 a month to run the school.

—Furnishings of a penthouse at the Hilton Lagoon apartments in Waikiki.

—Ranch furnishings on 27 acres of North Shore property.

"UNLESS THE REWALD assets are inventoried, marshaled, insured, protected and supervised, they face the immediate risk of loss, destruction, waste, deterioration and misappropriation," Hayes said in the affidavit.

Included in the 50 daggers in Rewald's care, possibly belonging to Island restaurateur Donn Beach, are: a 17th century East Indian katar with a grooved blade for armor piercing, a Turkish yataghan sabre with a handle made from the carved thighbone of a jackass, and an extremely

rare 14th century Roman Empire steel hilt dagger with a carved jade lion head hilt.

The court order turning over the assets covers virtually all of Rewald's assets but allows his wife and children to "possess and use for everyday living purposes their clothes and other incidental personal affects."

HAYES SAID HIS next move is to go to court to get Bishop, Baldwin, Rewald, Dillingham & Wong declared insolvent so that the assets of company and Rewald personally may be sold to get money to pay back some of the \$10-\$12 million investors put into the company.

# Trustee will tally up Rewald possessions today

By Walter Wright  
Advertiser Staff Writer

They're going out to Ron Rewald's waterfront house this morning to count the silverware. Folks who've been there say they'll find that Rewald's silverware is made of gold.

Federal Judge Samuel P. King last night authorized bankruptcy trustee Thomas Hayes to assume control of all of Rewald's assets — from a herd of polo ponies to a compound full of Cadillacs.

The court order covers cash, stocks, notes, ranches, homes, precious metals, gems, jewelry, animals, boats, cars, aircraft, art

and antiques.

Hayes was empowered to take control of anything bearing the Triple R brand of Ronald Ray Rewald, the bold Honolulu businessman who persuaded an estimated 400 investors to give him \$10 million to \$12 million of their money.

Hayes will set out this morning to gather up treasures that include a handful of 17th-century engravings and more than a dozen rare daggers and swords of ivory and gold, some once owned by Rudolph Valentino.

Rewald, himself — in prison in lieu of \$10 million bail and facing theft charges following

the collapse of his Bishop Baldwin, Rewald, Douglas and Wong investment firm — agreed yesterday that Hayes should take control of his possessions.

Rewald's wife, Nancy, and Rewald, also agreed to the arrangement, and Hayes said she and her children could keep and use their clothes and "other incidental personal effects."

The order, Judge King said, doesn't represent an admission of wrongdoing by the Rewalds or his firm, but is only a means of counting and caring for assets. Nor do the Rewalds waive any claim to those assets, Judge King noted.

The trustee also was authorized to exercise all rights of ownership the Rewalds may have in 18 different companies and corporations, ranging from Arabian investment firms to a travel agency and a modeling school.

Hayes, who warned that Rewald's lavish and expensive furnishings and collections of art, daggers and firearms are "easily movable and transportable," will start his inventory at 9 a.m. this morning at Rewald's Kala-Hiwa Highway residence in Kailua.

He believes he will find at least one Rolls-Royce in the garage and valuable gold tableset-

tings in the cupboards. He said he was told of the contents of the house by some of the guests Rewald once entertained at the \$900,000 home.

Despite the lavish shopping list, the assets still are believed to total no more than \$2 million or \$3 million, a fraction of the money invested with Rewald's firm.

Down the road in Hawaii Kai, Hayes will take over Apartment 2-15-J at the Mauna Luan condominium — a unit that Rewald rented or bought "for use as a private school for his children," complete with computer equipment, a library, desks and

chairs and other furnishings, all insured for \$100,000.

(It was there that tutors, including a Catholic sister, instructed the Rewald children daily, other sources said.)

Later, in Waikiki, Hayes will be looking for another \$100,000 worth of personal possessions in a penthouse rented by Rewald at the Hilton Lagoon. The manager of the Hilton has called Hayes and asked him to clear the place out.

The 27-acre Sunset Ranch which Rewald was buying in Pupukea has been taken over by owner Charles Pletsch with

See Rewald on Page A-4

# The Honolulu

# Advertiser

Final Edition Oahu Edition 25c  
Beyond Oahu 30c

Aloha!

# Escape-from-'hell'

STAT

## Rewald trustee goes through home today

from page one

Hayes' permission.

At her spread, the Waimanalo Ranch, where Rewald's personal property is insured for \$360,000, is in the hands of Nolan George, the man who was selling it to Rewald.

On both the North Shore and in Waimanalo, Hayes will be counting polo ponies. Company records and other reliable sources indicate Rewald personally owns anywhere from 10 to 24 ponies, ranging in value from \$4,000 to \$10,000.

"I don't know where all of the polo ponies are boarded," Hayes said in an affidavit filed with the court.

"I know some are at New Town and Country Stables, the Waimanalo Ranch, and the

stables adjoining the Hawaii Polo Club (another recent Rewald purchase)."

"The people who have been boarding the ponies have been calling me up, asking for money, and complaining about how unhappy they are to board the horses for free," Hayes said.

Wherever he goes, Hayes will also be counting cars.

"It appears that Mr. Rewald owns about 10 expensive, luxury or collector's cars," Hayes said, many of them with distinctive license plates.

Until a few days ago, Hayes had located only the 1970 Rolls-Royce, license OAHU 2, at the Rewald home; the 1979 Cadillac OAHU 1 in the hands of chauffeur Franklin Kipili; and the 1977 Cadillac limousine RRR, at Motor Cars Hawaii.

According to Hayes' attor-

neys, Don Gelber and James Wagner, another six cars have since been located, and the hunt is on for any still outstanding.

They include a 1977 Excalibur worth an estimated \$50,000; a 1969 Jaguar XKE; a 1978 Mercedes, with license number 10; a 1979 Lincoln Continental, license 1000; a 1967 Ford; two Chevrolets; another Mercedes; and another Cadillac.

Some of Rewald's art collection, the trustee said, is believed to be on loan to the Honolulu Academy of Arts.

The swords and daggers owned by Rewald are part of the Donn Beach collection, portions of which Rewald appears to have shared with consultant John Kindschi, former CIA station chief here, and attorney Russell D.C. Kim, another con-

The corporations in which Rewald or his company were said to have interests included South Sea Airlines Inc.; Aspengren, World Travel; Motorcars Hawaii Ltd.; Pacific International Sports Corp.; Hawaiian Arabian Investment Co.; Interpacific Sports Inc.; Piko; Venture; Oahu Ranch Inc.; Bishop, Baldwin, Rewald, Dillingham and Wong Real Estate Corp. Inc.

Hawaii Polo Inc.; Legal Investigations Inc.; U.S. and United Arab Emirates Investment Co. Inc.; SW Investment Co. Inc.; Sunrose Corp.; S & W Ventures Inc.; CMI Investments; Barbizon School; and Ayalla Inc.

Hayes' attorneys said some of the companies apparently never did business. Rewald was in the process of trying to buy

# In Hawaii...

Friday, August 26, 1983 Honolulu Star-Bulletin A-3

## List of Investors in Rewald Firm Keeps Growing

By Charles Memminger  
Star-Bulletin Writer

As the number of Bishop, Baldwin, Rewald, Dillingham & Wong creditors continues to grow, it is becoming apparent that the company's consultants themselves also had large amounts of money tied up in the operation.

Edward Hoffman, a consultant who lives in Illinois, yesterday filed a claim for \$212,546 on behalf of himself and his wife. The families of his two daughters, Nella (Hoffman) Van Asperen and Susan Vanderploeg also submitted claims for some \$53,000.

Hoffman sent a letter to Sunlin L.S. "Sunny" Wong, formerly president of Bishop, Baldwin, Rewald, Dillingham & Wong, on Aug. 2 asking that all of the accounts be closed and the money be immediately returned. Hoffman also asked that a \$50,000 loan made by Nella Van Asperen through Rewald to a third party be repaid with \$20,000 interest.

He also said in the letter he was resigning as vice president of Aspengren World Travel, a business partly owned by Rewald.

Hoffman's disclosure continues a steady stream of former consultants who have stepped forward to claim money they put into the company's investment savings accounts. Investors were told money invested in the accounts would get at least 20 percent interest and that it was insured by the Federal Deposit Insurance Corp.

THAT CLAIM attracted the attention of the Securities and Exchange Commission, which eventually filed fraud charges against Rewald's company.

Earlier this week, Kenneth Sanders, the former marketing director for Rewald's company filed a claim for \$64,000.

Another person listed as a consultant to Rewald, Gunadi Gautama, is one of three Indonesians who filed a class action suit against Rewald, other company officials and Bishop, Baldwin, Rewald, Dillingham & Wong. Gautama claims he and two others invested \$1 million with Rewald shortly before the company collapsed.

Thomas Hayes, court-appointed trustee for the bankrupt company, has said Gautama is probably the "biggest loser" of all those

who invested money in Rewald's company.

Although he is listed as a consultant and pictured in a company photograph, Gautama did not actually do any work for Rewald, Gautama's attorney, Peter Lee has said.

John Kindschi, former head of the CIA office here, told the Oahu Grand Jury Rewald committed theft by convincing him to invest \$200,000 in the investment account. Kindschi's criminal complaint, along with one from another investor, led to Rewald's arrest on theft charges. Rewald remains in jail in lieu of \$10 million bail, pending trial.

KINDSCHIL also was a consultant to Rewald and went on an ocean cruise with Rewald a month before the company collapsed, according to sources.

Retired Air Force Capt. Ned Avary, who set up the "London office" for Bishop, Baldwin, Rewald, Dillingham & Wong and did extensive traveling as a consultant looking for investment possibilities, has filed a claim for \$11,353 he said he invested in the company.

Attorney John Ing, also named in company material as a consultant, filed a claim for about \$70,000.

Although no amount was listed, attorney William E. Jolly, head of Bishop, Baldwin, Rewald, Dillingham & Wong's Big Island office, included his name on a list of people demanding that they be repaid.

Attorney Robert Jinks, who set up the Napa office, has said in interviews that he also had money in an investment savings account, but he has not yet filed any claim with the bankruptcy court.

Meanwhile, an investor who said he put \$40,000 into the company filed a \$2 million suit in federal court yesterday against Hugh Helvin, named as a Bishop, Baldwin, Rewald, Dillingham & Wong employee.

Nanette P. Jacinto charges that Helvin, who she said worked in the company's investment banking division, fraudulently convinced her to invest \$40,000. She is asking for the \$2 million in punitive damages as well as triple her money back for her investment.

Bankruptcy Trustee

the "biggest loss" of all years.

# Bankruptcy Trustee Gains in Expertise

Continued from Page One

ple who were burned were visitors."

People running the companies had taken in about \$14 to \$21 million from investors in 21 months, Hayes said.

Hayes became trustee for WPMK and Ralph Aoki, another businessman often called on to handle bankruptcies, was trustee for Paradise Palms.

When it became obvious that time-sharing contracts signed by investors were worthless, Hayes and Aoki came up with an arrangement to permit vacation club members to buy vacation time from another company at discount prices. If the club members did not want to do that, they could get a nominal return on their investment.

It was not a great deal, but it was the best one possible. And that is what the job of a trustee is — not to make everyone happy, but to get the best deal possible for the creditors.

In some bankruptcies, the heads of the companies stay on to run the business during reorganization, Hayes said. With large companies, such as Chrysler, it made sense for Lee Iacocca to stay and run the company.

BUT IN smaller companies, there may be more of a chance for the company head to find himself in a conflict of interest. At those times, creditors can ask that a trustee be appointed.

In the case of Bishop, Baldwin, Rewald, Dillingham & Wong, the attorney for the creditors who successfully forced the company into bankruptcy after Rewald's attempted suicide asked that Hayes be appointed interim trustee. Hayes may be replaced by another trustee as the case moves forward, but for now, he runs the show.

But unlike other bankruptcies and reorganizations, there is not too much to run in this case. Hayes has said in court that the company has few actual assets; it appears that Rewald spent most of the investor's money on personal expenses or to pay staff

Hayes finds himself acting more as a detective, trying to find any possible hidden assets or money deposits.

Hayes describes the first days of the takeover as "chaos," which is not unusual. But it was made easier by the work of his attorneys, Donald Gelber and James Wagner, who froze all of the company assets in 72 hours.

Since then, Hayes and his staff, which includes former employees and consultants to Rewald, have been putting in long hours searching for company funds. One attorney working with Hayes said his hours are getting better now that things are getting organized.

"NOW WE are only working about 10 hours a day," he said.

There is an obvious reason why someone would submit to the long hours and frustrations of taking over a failed company — money.

The trustee and attorneys are at the top of the ladder of people to be paid when the assets are liquidated — even before the IRS and other secured creditors.

The trustee, Hayes said, gets 1 percent of all the money he handles. Hayes pulled down \$100,000 a year in the Holiday Mart case. But that is not all that high considering he was heading a \$35 million corporation.

And, it has to be that way, he said, or else no one would take the time-consuming job of picking up the pieces of a collapsed company and trying to salvage it. Hayes openly admits, "I won't take a small bankruptcy."

Aside from the financial rewards, it also is just plain more interesting to be working in a number of different fields instead of working every day in one company, he said. You get to try out a lot of different desks and chairs. And you get to learn a lot of stuff you wouldn't have even given a thought to before, like how much a bail of hay costs.

Which Hayes can now tell you is about \$11 a cube. members, consultants and friends.



## Specialized Field of Bankruptcy

# Trustee Learns About Horses, Koi

By Charles Memminger  
Star-Bulletin Writer

THREE weeks ago, all Thomas Hayes knew about horses was that they were big and hairy and that they slobbered a lot.

"The last time I was on anything with four legs was a mule on Molokai," he said.

Now Hayes is practically an expert, a regular Roy Rogers of the businessman's set.

As interim trustee of the bankrupt investment company Bishop, Baldwin, Rewald, Dillingham & Wong, Hayes has found himself in possession of 17 horses and polo ponies owned by Ronald Rewald.

The horses are considered company assets because they were bought with a portion of the millions of dollars investors put in the company. And as assets, they have to be protected and taken care of — fed, cleaned, exercised and whatever else it takes to keep the horses in good shape until they are auctioned off.

It is one of the many small worries that go along with taking control of a bankrupt company, especially one in which the company chairman's personal assets also are tied up in the procedure.

There are bank accounts to be found and frozen, but there also are horses to be fed. There are law suits to be filed, but there also are Rewald's expensive carp in a pond at his Hāwāii Kai house

to worry about. Not to mention the family St. Bernard.

BUT AFTER several years of trusteeships in various bankruptcies, Hayes is used to becoming an instant expert on a lot of things. That is one of the appealing aspects of the job, he says.

For an interview, Hayes is sitting behind the desk in Rewald's 26th floor office, the one with the now-famous waterfall on one wall.

Hayes, stocky and white-haired, looks like he could be Norman Mailer's brother. He seems too calm for someone running four companies three that others already have failed at running and his own, Honolulu Professional Services.

Rewald's office is, frankly, damn nice. Plush carpet, floor-to-ceiling windows, overstuffed couches and chairs. But it is not functional, said Hayes, who actually works out of another office with fewer amenities, but more room for spreading out paper.

Hayes has a reputation for being someone who can come into a company that has been mishandled and figure out how to get it organized to maximize the amount of money he can squeeze out of it to pay off creditors.

A bankruptcy trustee has to be part economics wizard, part businessman and part detective. The detective work comes in when the trustee tries to find out where company funds might possibly be hidden away — in

various accounts and investments before the company's collapse.

HAYES GOT into this type of business after an unlikely start. He got his undergraduate degree in chemical engineering and mathematics from Pennsylvania State. His background in chemistry has not been much help to him.

"I don't even remember the formula for salt," he said.

But after four years in the Navy, he went back to school, this time getting his master's degree in finance and economics from the Harvard Business School.

He has made good use of that diploma, working in executive positions in commercial retail sales. Before starting his own para-legal service, he spent nine years with C.S. Wo, eventually rising to senior vice president.

It was because of his retail experience that he was appointed trustee in the bankruptcy four years ago of Holiday Mart Inc.

It was a "good" bankruptcy, he said. Some \$35 million in assets were sold. All of the secured creditors got their money back and unsecured creditors got back 75 percent of their money.

The stores were sold to the Japanese company, Daiel, but Hayes still is managing six movie theatres owned by Holiday Mart, four in Honolulu and two on Maui.

Before the Holiday Mart job, Hayes did not think much about movies. Now there are 75 employ-



Thomas Hayes  
Part businessman, part detective

ees to manage and movies to rent. Reels of films clutter his office and he currently finds himself negotiating to bring "Return of the Jedi" to one of the Maui theatres. Instant expert.

THEN CAME the involuntary bankruptcy of WPMK Corp. and Paradise Palms Vacation Club, the time-sharing companies involved in a scandal last year.

That case had a lot of impact, Hayes said, because "all the peo-

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## Widow Files Claim in Rewald Bankruptcy

Continued from Page One

equipment apparently was used by attorney Ralph Black, who was a consultant to Rewald.

Meanwhile, another attorney with ties to Rewald, D. Alden Newland, sent a letter to the Star-Bulletin and trustee Hayes yesterday saying he was only a consultant for the company for 11 months.

"I have never been 'the attorney' for the company, employed by it or an executive for it," the letter stated.

But a display advertisement in the telephone company's Yellow Pages for Newland's firm, Newland & Ige, specifically states "Counsel for Bishop, Baldwin, Rewald, Dillingham & Wong."

IN OTHER developments yesterday, U.S. Judge Martin Pence approved transferring jurisdiction of the bankruptcy case into U.S. District Court from the bankruptcy court. The move was made because a suit by Securities and Exchange Commission against Rewald's company is being handled in district court.

Hayes said he asked that the bankruptcy case be consolidated with the SEC suit in district court to simplify court action.

Also yesterday, Rewald's criminal attorney, Brook Hart, said he

is trying to work out an agreement with attorneys for Hayes and the city prosecutor's office to have Rewald released periodically to assist in going through company files in search of assets.

REWALD'S RELEASE from prison has been hampered both by his huge bail, believed to be the largest in Hawaii history, and by the fact that all of his personal assets are frozen.

Peter Carlisle, deputy city prosecutor, would not comment on whether any discussions are under way.

Hart also said he has not totally ruled out staying on the Rewald case although he and his partner, Peter Wolff, have put in more than 100 hours of work so far without being paid.

"We can't afford to stay on this case," Hart said. "It would bankrupt us. I was a public defender for years and can't afford this."

Wolff said he submitted a motion to Circuit Judge Robert Won Bae Chang asking that he and Hart be allowed to withdraw as Rewald's counsel. Wolff also asked that Judge Chang declare Rewald indigent and appoint a public defender to represent him.

Wolff's motion has been scheduled to be heard by Chang on Sept. 8.

tropical storm  
50 mph winds  
toward the Eastern Se  
The drought in parts  
Midwest was described as the  
worst since the Dust Bowl days of  
the 1930s. In the Carolinas it was  
compared with the disastrous  
droughts of 1977 and 1980.  
With temperatures climbing  
into the 100s for the fifth straight

By afternoon, it was a ...  
102 degrees in Montgomery, Ala.,  
and above the century mark in  
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## Rewald Investor Claims Hefty Loss

By Charles Memminger  
Star-Bulletin Writer

The widow of a multimillionaire who was murdered on the Big Island in 1978 has filed a claim in U.S. Bankruptcy Court for \$805,394 she said she invested with the defunct investment company of Bishop, Baldwin, Rewald, Dillingham & Wong.

Elizabeth Halvorsen is now one of only about 45 investors who have filed claims against Ronald R. Rewald's bankrupt company. Bankruptcy trustee Thomas Hayes said there were 400 investment savings accounts when the company was forced into bankruptcy after Rewald's attempted suicide on July 29, but that there probably are not that many actual investors.

For many reasons, not the least of which is embarrassment, many investors may never sign up as creditors and make their involvement in Bishop, Baldwin, Rewald, Dillingham & Wong public. Hayes has refused to release the names of those who do not file as creditors voluntarily.

THE INVESTMENT of money from the Halvorsen family with Rewald has created concern from some of those investigating Bishop, Baldwin, Rewald, Dillingham & Wong.

A multimillion dollar trust was set up after the murder of sportsman Leland D. Halvorsen, and is being administered by attorney Robert Jinks, one of Rewald's associates.

The concern arises because of the discovery by trustee Hayes that the assets of other trust funds were put in Rewald's care and have since been found to be drained.

But Jinks said in a recent interview that no funds from the Halvorsen trust were ever invested in Bishop, Baldwin, Rewald, Dillingham & Wong. Jinks acknowl-

edged that some funds were moved "through" Rewald's company to tax shelters, but that at the time of the company's collapse, no money from the Halvorsen trust was in Rewald's control.

Jinks said Elizabeth Halvorsen and her husband were separated at the time of his death and she had control over her own funds. He said that the money she invested in the company apparently was her own.

HAYES CONFIRMED that company records show the \$805,394 claimed by Elizabeth Halvorsen was not connected to the Halvorsen trust.

Jinks would not say who the beneficiary of the Halvorsen trust is, but according to newspaper articles at the time of his death, Leland Halvorsen was survived by several children.

Also filing a claim in bankruptcy court were Rewald's former chauffeur, Franklin Kipili, and Nicholas Imp and his wife, Lorraine. Imp is the brother of Rewald's wife, Nancy.

The Imps filed a claim saying they invested \$52,400 in the company.

(When Rewald checked into a Waikiki hotel on the day of his suicide attempt, he used his wife's maiden name, Imp.)

Kipili said he and his wife had \$78,059 invested with Bishop, Baldwin, Rewald, Dillingham & Wong. Kipili is one of a number of employees or consultants who invested money in the company.

Since the bankruptcy, Kipili has gone back to work as a bailiff for the state court system, a job he held before going to work for Rewald.

ANOTHER CLAIM was filed by Servco Financial Corp., which leased \$13,000 in office equipment and a micro-computer to the company. Hayes said the office

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for launch  
to the pad  
bolts. "The  
hurricane f  
Raab said  
had also l  
the orbiter

Barry  
blown  
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8-25-83

# Rewald was on a joyride with fleet of fancy cars

By Walter Wright  
Advertiser Staff Writer

They miss Ron Rewald out on auto row.

Things haven't been quite the same at Schuman Carriage, Honolulu's Cadillac emporium, since Ron went to jail.

And John Monnett, who sells Rolls-Royces and Jags at Classic Cars Hawaii, also notices that business is off a little.

Rewald, the guru of the defunct investment firm Bishop, Baldwin, Rewald, Dillingham and Wong, could change cars twice a day and not run out for a week.

Rewald had at least three Cadillac limousines, including the 1979 stretched Fleetwood model that used to be Gov. George Ariyoshi's official car. He paid about \$18,000 cash to Schuman Carriage for the governor's limo, getting a good price because he was, everyone agrees, such a good customer.

Rewald also sent in a lot of other good customers — his wealthy clients.

Top brass at Schuman Carriage will not be quoted, which is what we expect from our Cadillac dealers. But one salesman said "many of Rewald's clients, because of their good taste, did buy Cadillacs and Buicks from Schuman Carriage."

Many of the clients are now shocked to learn they have yet to pay for the cars they bought from Schuman.

There are believed to be at least seven or eight Rewald clients who bought Cadillacs at \$20,000 to \$25,000 each.

In a typical transaction, the salesman said, Rewald would call the car agency and say he was sending in Mrs. So-and-So to pick out her car, and that she was to get whatever she wanted and the payments would be made through her account at Rewald's firm.

"He had their money; he handled their affairs. A couple of them, if they went to the bathroom, they had to call him before they made a move," said another source who did business

with some Rewald clients.

Schuman Carriage apparently did not have much competition in the luxury new car market. A sales manager at Theodor Davies Euromotors, the Mercedes-Benz dealer here, said he knew of no purchases by Rewald or any of his clients.

Rewald bought his own Mercedes used, at least a pair of them from Monnett at Classic Cars Hawaii. All in all, Rewald dropped more than \$214,000 for eight of Monnett's shining beauties.

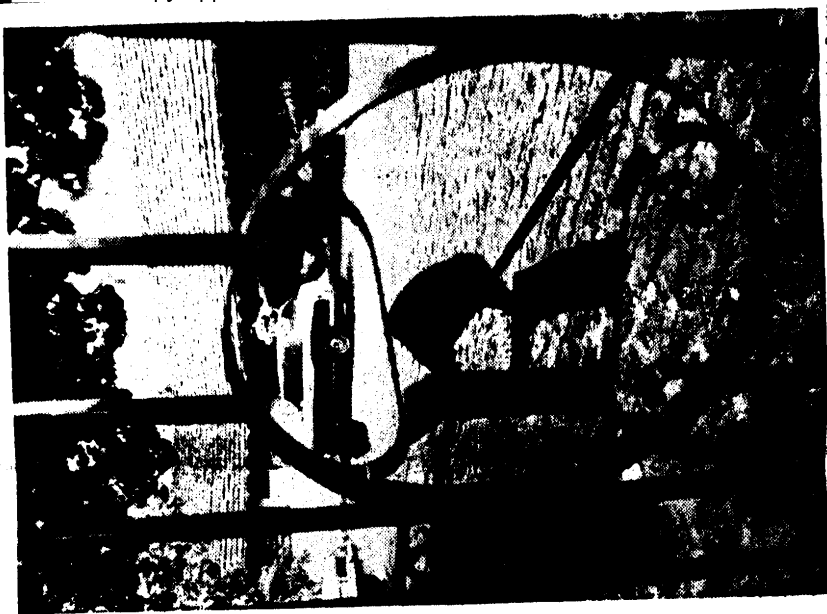
Monnett used to love to see him coming.

"You couldn't find a nicer person," says Monnett, who has been selling cars to nice people in Hawaii for decades.

"He would just come in and buy if he liked something," Monnett said. "One thing about Ron Rewald, he never argued about price."

"One day, I wouldn't sell him a car he wanted because I

See Rewald on Page A-10



Advertiser photo by John Bender  
A Rolls-Royce sits elegantly behind the R on Rewald's gate.

A-10 Thursday August 25, 1983 The Honolulu Advertiser ★★

## Rewald on joyride

from page one

wanted to keep it as a driver. He was most upset and we didn't see him for three or four months, you know. Our business started to drop off."

Monnett said he was introduced to Rewald by Richard Spiker, a banker who had left a position as branch manager for Hawaii National Bank in Wai- kiki and joined Rewald's firm.

Although he had a banker at his side, Rewald himself was "not bankable," Monnett said. "I mean you could never get anything out of the company, he would never give us a financial statement. We tried checking on him and ran against a blank wall — but you don't want to kill the goose."

So Monnett would sell a car for some cash and a promise to pay the rest, and he collected on every one, he said.

The first was a 1971 Rolls Royce, the Silver Shadow model with the long wheel base, in May, 1980. Price: \$37,600.

The next month, Rewald was back to buy a 1973 Mercedes 450 SL, "for his daughter. I think." Price: \$16,500.

Like clockwork, Ron showed up again in July for a 1957 Thunderbird convertible, "a beautiful machine and he made us paint it brown. In other words, he wanted certain things his way," Monnett recalls. \$13,400.

There was a lull, and then in January 1981, Rewald bought another Mercedes, a 1972 350 SL, for \$15,421.

In the spring, Rewald's fancy turned to a 1969 Jaguar XKE Roadster, which he snapped up for \$8,841 in May.

The next month, Ron got the 1969 Rolls Royce convertible, at \$52,000.

It looked nice, RR's initials on the ornamental iron gate outside his waterfront home in Kulehouou; the RR parked just inside.

In September 1981, Rewald bought a 1977 Excalibur, the Corvette-powered classic roadster, for \$31,200.

And then, in August 1982, Rewald popped \$39,555.36 for a 1981 Cadillac El Dorado custom convertible.

That added up to eight cars from Monnett, and Monnett believes he sold another half dozen or so to Rewald clients.

Hindsight is 20-20, but Monnett says he foresaw Rewald's financial collapse. "I thought this thing was going to happen two years ago. Why? Because nobody can spend that kind of money."

Rewald liked cars so much he

even bought his own dealership. Eight months ago, Rewald bought 50 percent of Motor Cars Hawaii, a luxury and sports car shop at Kapiolani and Atkinson.

The other owner, Bill Bartenstein, says the arrest of his well-known partner on theft charges has caused him some problems.

"There are a couple of accounts that put us on a cash basis after they heard about Rewald," Bartenstein said.

"But most everybody realizes that my name's on the check, too, and I'm good for the company's obligations," Bartenstein said.

The business is principally repair and service, but there are about a dozen cars on the floor for sale. None of them, Bartenstein says, came from Rewald.

The company is not losing as much money as it was when Rewald was insisting on a big advertising budget, Bartenstein said.

But it is clear that Rewald didn't buy in expecting to make very much, because the firm has been losing money for some time, according to Bartenstein. "I used to service all his cars, and I sold him a couple too, a Corvette and a Lincoln Continental."

The cars Rewald bought for himself were "his own thing, an ego trip. He was a car buff, and he liked variety. I think he kept most of them at home, and most of them parked outside, because his garage would only hold two cars."

Court records also list a 1978 Ferrari as among the cars insured by Rewald recently.

Thomas Hayes, the trustee appointed to handle the Bishop Baldwin bankruptcy proceedings, says Rewald used corporate money to buy his cars, and has asked that the vehicles be returned as assets of the firm.

The trustee and police have been trying to figure out where all the cars are. The police have a list of 13 (including a couple of mere Chevrolets) registered to Rewald and some of his firms. But police aren't sure where all the vehicles are. And their list may not be complete.

Robert Smith, one of Rewald's attorneys, says he believes the cars are being located and put into safekeeping.

Some of the cars eventually reach the auction block as assets to be liquidated in the bankruptcy case.

And if you can beat Schuman Carriage or Johnny Monnett to the fall of the hammer, you might be able to pick up an RR RR.

# Widow's Loss Hits \$805,394 in Rewald Firm's Bankruptcy

8/24/83  
By Charles Memminger  
Star-Bulletin Writer

The widow of a multimillionaire who was murdered on the Big Island in 1978 has filed a claim in U.S. Bankruptcy Court for \$805,394 she said she invested with the defunct investment company of Bishop, Baldwin, Rewald, Dillingham & Wong.

Elizabeth Halvorsen is now one of only about 45 investors who have filed claims against Ronald R. Rewald's bankrupt company. Bankruptcy trustee Thomas Hayes said there were 400 investment savings accounts when the company was forced into bankruptcy after Rewald's attempted suicide on July 29, but that there probably are not that many actual investors.

For many reasons, not the least of which is embarrassment, many investors may never sign up as creditors and make their involvement in Bishop, Baldwin, Rewald, Dillingham & Wong public. Hayes has refused to release the names of those who do not file as creditors voluntarily.

THE INVESTMENT of money from the Halvorsen family with Rewald has created concern from some of those investigating Bishop,

op. Baldwin, Rewald, Dillingham & Wong.

A multimillion dollar trust was set up after the murder of sportsman Leland D. Halvorsen, and is being administered by attorney Robert Jinks, one of Rewald's associates.

The concern arises because of the discovery by trustee Hayes that the assets of other trust funds were put in Rewald's care and have since been found to be drained.

But Jinks said in a recent interview that no funds from the Halvorsen trust were ever invested in Bishop, Baldwin, Rewald, Dillingham & Wong. Jinks acknowledged that some funds were moved "through" Rewald's company to tax shelters, but that at the time of the company's collapse, no money from the Halvorsen trust was in Rewald's control.

Jinks said Elizabeth Halvorsen and her husband were separated at the time of his death and she had control over her own funds. He said that the money she invested in the company apparently was her own.

HAYES CONFIRMED that company records show the \$805,394 claimed by Elizabeth Halvorsen was not connected to the Halvorsen trust.

Jinks would not say who the beneficiary of the Halvorsen trust is, but according to newspaper articles at the time of his death, Leland Halvorsen was survived by several children.

Also filing a claim in bankruptcy court were Rewald's former chauffeur, Franklin Kipilii, and Nicholas Imp and his wife, Lorraine. Imp is the brother of Rewald's wife, Nancy.

The Imps filed a claim saying they invested \$52,400 in the company.

When Rewald checked into a Waikiki hotel on the day of his suicide attempt, he used his wife's maiden name, Imp.

Kipilii said he and his wife had \$78,059 invested with Bishop, Baldwin, Rewald, Dillingham & Wong. Kipilii is one of a number of employees or consultants who invested money in the company.

Since the bankruptcy, Kipilii has gone back to work as a bailiff for the state court system, a job he held before going to work for Rewald.

ANOTHER CLAIM was filed by Servco Financial Corp., which leased \$13,000 in office equipment and a micro-computer to the company. Hayes said the office

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## Widow Files Claim

Continued from Page One

equipment apparently was used by attorney Ralph Black, who was a consultant to Rewald.

Meanwhile, another attorney with ties to Rewald, D. Alden Newland, sent a letter to the Star-Bulletin and trustee Hayes yesterday saying he was only a consultant for the company for 11 months.

"I have never been the attorney for the company, employed by it or an executive for it," the letter stated.

But a display advertisement in the telephone company's Yellow Pages for Newland's firm, Newland & Ige, specifically states "Counsel for Bishop, Baldwin, Rewald, Dillingham & Wong."

IN OTHER developments yesterday, U.S. Judge Martin Pence approved transferring jurisdiction of the bankruptcy case into U.S. District Court from the bankruptcy court. The move was made because a suit by Securities and Exchange Commission against Rewald's company is being handled in district court.

Hayes said he asked that the bankruptcy case be consolidated with the SEC suit in district court to simplify court action.

Also yesterday, Rewald's criminal attorney, Brook Hart, said he

is trying to work out an agreement with attorneys for Hayes and the city prosecutor's office to have Rewald released periodically to assist in going through company files in search of assets.

REWALD'S RELEASE from prison has been hampered both by his huge bail, believed to be the largest in Hawaii history, and by the fact that all of his personal assets are frozen.

Peter Carlisle, deputy city prosecutor, would not comment on whether any discussions are under way.

Hart also said he has not totally ruled out staying on the Rewald case although he and his partner, Peter Wolff, have put in more than 100 hours of work so far without being paid.

"We can't afford to stay on this case," Hart said. "It would bankrupt us. I was a public defender for years and can't afford this."

Wolff said he submitted a motion to Circuit Judge Robert Won Bae Chang asking that he and Hart be allowed to withdraw as Rewald's counsel. Wolff also asked that Judge Chang declare Rewald indigent and appoint a public defender to represent him.

Wolff's motion has been scheduled to be heard by Chang on Sept. 8.

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A-18

Wednesday, Aug. 24, 1983

## Ronald Rewald's Right to Legal Representation

The dozens if not hundreds of people who claim that Ronald Rewald swindled them out of their savings so he could live like a king must be gagging over a request to the court to appoint a public defender to represent Rewald because he cannot afford to pay an attorney.

Nevertheless the request may be legitimate. Rewald's assets have been frozen by court order. His lawyers have submitted a motion to withdraw from the case because Rewald could not pay their fees. The only way payment could be made presumably would be from sources other than Rewald or his company. If there are no such sources, Rewald might be considered indigent and eligible for appointment of a public defender.

Despite all the charges that have been filed against Rewald and all the allegations made against him, it must be kept in mind that he has the right to a fair trial and the presumption of innocence until found guilty. The right to a fair trial includes the right of legal representation.

It is precisely in cases like Rewald's, when publicity has inspired strong opinions about the facts, that it is most important to scrupulously protect the rights of defendants. Whatever he has done, Rewald has a right to legal representation.

## 'Work' Releases Sought for Rewald

Continued from Page One  
as Rewald's counsel.

But Hart said they have not totally ruled out representing Rewald on the criminal charges.

Hart said this morning he would be talking to Rewald at the prison to see if there is some way attorney fees can be paid.

Because the federal court has

frozen all of Rewald's personal assets and those of his company, any attorney fees would have to come from someone or somewhere else.

Hart would not elaborate on what type of arrangement could be set up, but said the fees "wouldn't come from him (Rewald)."

WOLFF SAID he filed a motion yesterday with Circuit Court Judge Robert W.B. Chang asking that he and Hart be allowed to withdraw as counsel.

Hart said he and Wolff have worked on Rewald's case for about 100 hours thus far.

"We can't afford to stay on this case," Hart said today. "It would bankrupt us. I was a public defender for years and can't afford this."

Wolff said included in the motion to withdraw is a request that Judge Chang declare Rewald indigent and appoint a public defender to represent him.

Rewald's release from prison has been hampered both by his huge bail, believed to be the largest in Hawaii history, and by the fact that all of his personal assets are frozen.

Judge Chang last week refused to lower the bail amount because of the millions of dollars presumed missing and the possibility that Rewald would flee the country if released.



Brook Hart

Hopes for Rewald's release



## To Help with Bankruptcy Action

# 'Time Outs' Sought for Rewald

8/23/83

By Charles Memminger  
Star-Bulletin Writer

Attorneys for Ronald R. Rewald are trying to work out an arrangement so that the head of the troubled investment company can be released from prison periodically to assist in the company's bankruptcy procedures.

Rewald, who headed the now bankrupt company Bishop, Baldwin, Rewald, Dillingham & Wong, is being held in the Oahu Community Correctional Center in

lieu of \$10 million bail on criminal charges.

He is accused of the theft of money placed in his company by two investors.

Brook Hart, who is representing Rewald on the criminal charges, said today he is discussing the possibilities of Rewald's periodic release with attorneys for the court-appointed federal bankruptcy trustee and the city prosecutor's office.

The matter is complicated because of the cross-over between

federal and state jurisdictions.

Rewald's civil attorney, Robert Smith, confirmed that discussions for Rewald's release are under way, but city deputy prosecutor Peter Carlisle this morning would not comment.

SMITH BELIEVES that if Rewald is allowed to go through the company's records, he could help uncover assets that could be used to pay back some 400 investors at least part of their money.

Federal bankruptcy trustee

Thomas Hayes has testified in court that \$10 million to \$12 million in actual investments are missing from the company's bank account.

"We're trying to work out a program to let him (Rewald) come down and work with the records," Hart said today.

MEANWHILE, Hart and law partner Peter Wolff they have submitted a motion to withdraw

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